(c) why industrial growth has not picked up as alleged by the Minister of Finance at the annual session of the Confederation of Indian Industry recently at Delhi;

(d) whether it is a fact that Government are considering to reduce taxes further as announced by him at CII annual session;

(e) if so, when and how;

(f) whether it is a fact that there is a large scale tax evasion as alleged by him at above conference;

(g) whether it is a fact that immediate plan of Government is to raise GDP by 6.7 percent; and

(h) if so, how and when this would be achieved?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Deployment of the proceeds raised by Corporate Bodies by issue of securities are governed by the investment and expenditure plans of the management and the commitments expressed by the respective companies in the offer documents. Hence neither the Government nor the Securities and Exchange Board of India monitor the utilisation of Capital so mobilised.

(c) Although the growth rate of industrial production has been below expectations, there has been a discernible uptrend in more recent months. Industrial production recorded a growth rate of 6.7% in December 1993, while manufacturing sector recorded a growth of 7.3% in December 1993.

(d) and (e) Changes in tax structure are effected on an on going basis as part of the tax reforms and as the state of economy demands at different points of time.

(f) The problem of tax evasion does exist and is being addressed by the various tax reform measures announced by the Government from time to time.

(g) and (h) As per the Eighth Five Year Plan, the target rate for Gross Domestic Product is 5.6 percent per annum during the period 1992-97.

Internal and external borrowing of Government

6483. SHRI SHANKAR DAYAL SINGH: Will he Minister of FINANCE be pleased to state:

(a) whether it is a fact that previous growth rates were acheived by huge borrowing involving the current budgetary provision of payment of Rs. 46,000 crores on interest;

(b) what is the total internal and external borrowing of Government and interests due in current year;

(c) what are the assets and liabilities of Government;

(d) what is the perspective plan to wipe out the internal borrowings and its time frame;

(e) why not disinvest all PSUs by 49 PC to reduce internal debt substantially and come out of vioious circle of deficit finance; and

(f) what is the net worth of the PSUs today and return on the same?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Growth of an economy cannot be explained in terms of monocausal factors. Growth rate of an economy is to a large extent a function of rate of investment and efficiency in the use of capital and institutional factors. In an economy like India where agriculture accounts for a significant share in gross value added, supply side factors like state of the agriculture has an important bearing on the growth as well. However, Government have had to resort to large borrowings over the years mainly to fund the plan expenditure.

(b) the details for BE 1994-95 are as under:

(Rs. in crores)

Net additional Internal borrowings	Rs. 44636.52
Net additional External borrowings	Rs. 4278.48
Interest due on Internal debt and other liabilities	Rs. 41839.16
Interest due on External debt	Rs. 4160.84

(c) According to the accounts for 1992-93 the cumulative value of assets as on 31.3.93 amounted to Rs. 290963.15 crores and liabilities to Rs. 401623.71 crores. These are at historical values.

(d) Increase in the debt is basically due to increased borrowings resorted to by the Government to meet the gap between total expenditure and revenue receipts. Government will endeavour to limit further borrowings to the budgeted levels by controlling expenditure and maximising receipts.

(e) Finance Minister has already indicated in his Budget Speech for 1994-95 that a programme for disinvestment of Government equity in public enterprises and earmarking a part of the sale proceeds purely for debt reduction would be one of the options.

(f) The PSU-wise details of net worth and returnson the same are contained in Volume-3 of the Public Enterprises Survey which was laid on the Table of both the Houses of Parliament on 23.2.94.

Mandatory auditing of accounts of businessmen and professional

6484. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the entire services industry have been brought under the tax net;

(b) whether it is also a fact that section 44 AB of Income Tax Act 1961 provides for mandatory auditing of the accounts of a person whose total sales from the business exceed Rs. 40 lakhs and also, whose gross receipts from profession exceed Rs. 10 lakh any year on an experimental basis for 2 years, subject to review after the expiry of 2 years;

(c) if so, how much additional tax has been collected during the period of its operation;

(d) whether Government are aware of the genuine hardships to craders and businessmen on this account;

(e) if so, whether in order to mitigate their hardships Government propose to raise the limit in the proviso to more than 200 lakh Rupees in case of business etc. and more than 50 lakh Rupees in case of profession; and

(f) if so,by when these amendment are likely to be enforced?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Income from all business or profession, except agriculture, is liable to tax under the Income-tax Act, 1961. Three specified services have been brought under the tax net for levy of a service tax for the first time in the Budget of 1994-95, namely services provided by stock broker in sale/purchase of securities, telegraph authority in relation to telephone connection and insurance company on general insurance.

(b) Section 44 AB was introduced by the Finance Act, 1984 and the provisions were effective for assessment years 1985-86 and subsequent years. These provisions were not introduced as an experimental measure for a trial period of two years and therefore there was no question of reviewing the same after a period of two years.

(c) This section is an integral part of tax procedure and it would not be possible to ascribe a specific amount of tax to the operation of these provisions.